VZCZCXRO9640 OO RUEHDT RUEHPB DE RUEHML #0317 0360941 ZNY CCCCC ZZH O 050941Z FEB 08 FM AMEMBASSY MANILA TO RUEHC/SECSTATE WASHDC IMMEDIATE 9666 INFO RUCNARF/ASEAN REGIONAL FORUM IMMEDIATE RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 6307 RUEHHI/AMEMBASSY HANOI IMMEDIATE 6454 RUEKJCS/SECDEF WASHDC IMMEDIATE RHHMUNA/CDRUSPACOM HONOLULU HI IMMEDIATE RUEHIN/AIT TAIPEI IMMEDIATE 1607 RHEHNSC/NSC WASHDC IMMEDIATE

CONFIDENTIAL MANILA 000317

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TAGS: <u>PBTS PGOV PREL RP TW VM CH PG</u>
SUBJECT: TAIWAN'S SPRATLY VISIT DRAWS SHARP REBUKE

REF: A. 2007 MANILA 1991 ¶B. 2006 MANILA 4848 ¶C. 2004 MANILA 5826

Classified By: Ambassador Kristie A. Kenney, Reasons 1.4 (b) and (d)

11. (C) SUMMARY: Taiwanese President Chen Shui-bian's highly publicized February 2 visit to a Taiwanese-occupied island in the Spratly Island chain drew a sharp reaction from Arroyo administration officials. Philippine Foreign Secretary Alberto Romulo cast the visit as lamentable and irresponsible political posturing, charging that it undercut joint efforts to achieve peace and stability in the region. Defense Secretary Gilberto Teodoro likewise decried Chen's visit, but

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asserted that it posed no threat to the Philippines' security and merited no increased Philippine military presence in the islands, several of which are garrisoned by Philippine troops. END SUMMARY.

- 12. (SBU) BACKGROUND: The Spratly Islands are claimed in their entirety by China, Taiwan, and Vietnam, while portions of the chain are claimed by Malaysia and the Philippines. This disputed sovereignty resulted in open naval clashes between China and Vietnam in 1988 and 1992. In its call for self-restraint, cooperation, and no further use of force among claimant nations, the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea defused tension in the sprawling archipelago of more than 100 islets, atolls, and reefs in the South China Sea. However, with its 2005 Joint Marine Seismic Undertaking (JMSU) with China and Vietnam, the Philippines began to move away from such traditional multilateral approaches, in favor of coordinating trilateral exploration of possible hydrocarbon reserves by the three countries' national oil companies. The trilateral exploration program involves data gathering, consolidation, and interpretation; initial surveys were completed in November 2005, and the second phase involving resurvey of promising areas is now underway. Taiwan has vigorously objected to the trilateral project, on the grounds that it counters Taiwan's claims to the islands.
- 13. (C) President Chen's flight to Itu Abu Island (also known as Ligao or Taiping Dao) highlighted the recent completion of a 3,800 foot Taiwanese airstrip on the 114 acre island, the largest in the Spratlys. Accompanied by Taiwan's ministers of defense and interior on a Taiwanese Air Force C-130, Chen inaugurated the newly completed runway and inspected troops prior to returning to Taiwan the same day. (The island chain's second-largest island, nearby Thitu Island (also known as Pagasa or Zhongye Dao), is occupied by Philippine forces and home to a civilian settlement of more than 300

Filipinos.) Philippine government statements alluding to "political posturing" stem from widespread reports that Chen's intent in traveling to the Spratlys was partly to garner support for his party's candidate in Taiwan's upcoming presidential election March 22.

¶4. (C) COMMENT: Notwithstanding Taiwan's strident territorial claims and the strong language of Philippine officials in denouncing President Chen's visit to the Spratlys, there is little chance that the Philippine government will move beyond a rhetorical response at this point. Despite the presence of Filipinos on some of the islands, the Philippine armed forces lack the naval or air capacity to project any significant force in the Spratlys. At the same time, as the Philippines, China, and Vietnam explore the archipelago's mineral resources, they would appear to have too much invested to allow any dramatic gestures on the part of Taiwan to distract them from their common goal.

KENNEY